



INTERNATIONAL TROPICAL

TIMBER ORGANIZATION

## Tropical Timber Market Information

*Towards Greater Transparency in the Tropical Timber Markets*

### Producers Report

#### Log Prices

##### International Prices

##### Log Prices, Gabon

<i>Okoume, FOB</i>	<i>F.CFA per Cu.m</i>
Grade	
LM	146,000
QS	129,500
CI	99,000
CE	83,500
CS	67,000

<i>Ozigo, FOB</i>	<i>F.CFA per Cu.m</i>
Grade	
LM	103,000
QS	90,000
CI	70,000
CE	59,500

<i>Logs</i>	<i>F.CFA per Cu.m</i>
Agba	55,000
Moabi	65,000
Niangon	78,000
Douka	55,000
Abura	65,000
Sapelli	85,000
Iroko	58,000
Sipo	95,000
Padouk	55,000

##### Malaysia

##### Sarawak Log Export Prices

<i>(FOB)</i>	<i>per Cu.m</i>
Meranti SQ up	US\$205-210
small	US\$175-180
super small	US\$145-150
Keruing SQ up	US\$210-220
small	US\$180-190
super small	US\$150-160
Kapur SQ up	US\$215-220
Selangau Batu SQ up	US\$210-215 ↓

##### Cameroon Log Prices

<i>FOB</i>	<i>Per Cu.m</i>
N'Gollon 70cm+ LM-C	FFR1450
Ayous 80cm+LM-C	FFR1250
Sapele 80cm+LM-C	FFR1600
Iroko 70cm+LM-C	FFR1600

##### South Sea Logs

<i>FOB</i>	<i>per Cu.m</i>
Pometia	US\$145-155
Calophyllum	US\$135-140
Terminalia	US\$115-120
Other mixed species	US\$100-110

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## Domestic Log Prices

### Report From Brazil

The rain season is continuing in the Amazon and log supplies are low at present. In the south there has been heavy rains and inventories are low.

Logs at mill yard	per Cu.m
Mahogany Ist Grade	US\$390
Ipe	US\$82
Jatoba	US\$60 ↓
Guaruba	US\$43 ↑
Mescla(white virola)	US\$46 ↑

### Ghana

Indian buyers are active in the market for Teak logs but Ghana has a ban on exports. Orders are reportedly being accepted in the Ivory Coast for 15,000 Cu.m lots at US\$ 220 - 250 per Cu.m FOB, logs at 17cm and up diameter.

Logs FAQ		Per Cu.m
Ceiba	90cm +	US\$40
Otie/Iombe	60cm +	US\$50
Emire/Framire	60cm +	US\$55
Ofram/Frako	55cm +	US\$45
Ekki/Azobe	70cm +	US\$50
Kussia/Billina	70cm +	US\$50
Guarea	60cm +	US\$60
Chenchen	70cm +	US\$45
Cedrella	50cm +	US\$45

### Report from Indonesia

Domestic log prices	Per Cu.m
Plywood logs	
Face Logs	US\$150-160
Core logs	US\$ 125-135 ↑
Sawlogs	US\$125-135 ↓
Falkata logs	US\$55-60
Rubberwood	US\$38-40
Pine	US\$65-68
Teak	US\$1050-1250
Mahoni	US\$220-235 ↓

### Report from Malaysia

Logs	Per Cu.m
Domestic (SQ ex-log yard)	
Meranti Bukit (SQ)	US\$260-270 ↓
Kembang Semangkok	US\$215-225 ↑
Merbau	US\$200-210 ↑
Peeler Core logs	US\$130-145
Rubberwood	US\$35-37
Kempas	US\$145-155 ↓
Keruing	US\$220-230

## Sawnwood Prices

### International Prices

#### Brazil

The European market is steady at present, but demand in the US and Caribbean markets for Brazilian wood products is strong at the moment. However producers have not been able to lift prices and there are no significant price changes.

Export Sawnwood	per Cu.m
Mahogany KD FAS	FOB
UK market	US\$1030
Jatoba Green	US\$440-490
Curupixa (Europe)	US\$520
Asian Market	
Guaruba	US\$285
Angelim pedra	US\$270
Mandioqueira	US\$245
Pine (AD)	US\$150 ↑

### Ghana

The application of the export levy on all contracts is causing some exporters to refuse to ship against contracts negotiated prior to the levy. The trade is saying that the levy on air dry lumber cannot be absorbed without substantial losses and proposals have been made that, contracts negotiated prior to the levy introduction, should be exempt.

Rough Sawn Prices FOB	Per Cu.m
Mixed Redwoods	US\$330
low grade Odum (Iroko)	US\$400



	per Cu.m
<i>Wawa</i>	US\$220
<i>Wawa fixed dimensions</i>	US\$260
<i>Wawa Boules</i>	US\$219
70cm log dia. 25-75mm. 450cm length	

	per Cu.m
<i>Mahogany</i>	US\$480
<i>FAS 100mm plus 1.8m plus</i>	US\$520
<i>FAS 150mm plus 2.4m plus</i>	US\$700
<i>Odum FAS 100mm</i>	US\$400
<i>Wawa FAS 1.8m plus</i>	US\$640
<i>Anegre</i>	
<i>FAS 150mm plus 2.4m plus</i>	

	FAS	per Cu.m
<i>Guarea</i>	FAS	US\$460
<i>Ofram</i>	FAS	US\$270
<i>Emire</i>	FAS	US\$460
<i>Ekki</i>	FAS	US\$335
<i>Kussia</i>	FAS	US\$330
<i>Dahoma</i>	FAS	US\$250
<i>Cedrella</i>	FAS	US\$410

#### Malaysia

Sawn Timber	
<i>Export(FOB)</i>	per Cu.m
<i>Dark Red Meranti (DUC)</i>	
<i>GMS select &amp; better (KD)</i>	US\$705-710
<i>Seraya</i>	
<i>Scantlings (75x125 KD)</i>	US\$740-750
<i>Sepetir Boards</i>	US\$300-315 ↓
<i>Perupok (25mm&amp;37mm KD)</i>	US\$920-940
<i>K.Semangkok</i>	
<i>(25mm&amp;37mmKD)</i>	US\$710-720

#### Taiwan Province of China

	per Cu.m
<i>Rubberwood</i>	
<i>25mm boards</i>	US\$430-450 ↓
<i>50-75mm squares</i>	US\$480-490
<i>75-100mm squares</i>	US\$510-520

	per Cu.m
<i>Sepetir</i>	
<i>GMS (AD)</i>	US\$385-395 ↓
<i>Ramin less than 2 ft.</i>	US\$500-515 ↓
<i>greater than 2 ft.</i>	US\$600-615
<i>Oak 25mm boards</i>	US\$670-700
<i>Maple</i>	US\$950-985 ↑
<i>Cherry</i>	US\$1150-1200

#### Domestic Sawnwood Prices

##### Report from Brazil

In spite of positive economic forecasts and a projected 4-5% economic growth for 1997, the domestic market for timber products has not yet improved as expected, in fact it slowed during the last 3-4 weeks. Some improvements were seen in the domestic market over the last week, however.

In spite of the dull market, inventories at the mills are low. The rain season in the north and prolonged constant rain in the south, has reduced log production, and some mills have run out of raw material. Significant improvement in log supply is only expected for next month.

Domestic prices have fell for a short period but are now basically the same as during February.

##### Housing Construction in Brazil

Housing construction is moving up, and this will contribute to an increase in the consumption of timber products in Brazil. Last year apartment construction starts in Sao Paulo increased by 57% over 1995 (see table below). Further increases are projected for 1997 as new facilities have been adopted to finance housing.

##### Apartment Construction Starts in Sao Paulo

Year	Number of Apartments
1990	16,666
1991	16,710
1992	15,129
1993	25,489
1994	29,891
1995	33,866
1996	52,884



**Sawnwood (Green ex-mill)**

	per Cu.m
Northern Mills	
Mahogany	US\$830 ↓
Ipe	US\$412 ↑
Jatoba	US\$386 ↑
Eucalyptus	US\$165
Southern Mills	
Pine (KD) First Grade	US\$175 ↑

	per Cu.m
Red Meranti (22,25&30mm by 180+mm)	US\$320-330 ↓
Rubberwood (25mm & 50mm)	US\$280-295
50mm squares	US\$315-325
75mm+	US\$370-380
Mixed Hardwood Piling 5-6 ins x 5-6 ins sections	US\$210-220

**Ghana**
**Dahoma, Chenchen, Antiaris**

	per Cu.m
Mill Run 50x150mm	US\$95-125
50x100mm	US\$72-105
50x50mm	US\$105-150
25x300mm	US\$72-105
Mixed Redwood	
40x300x3.6m	US\$105-240

**Plywood and Veneers**
**International Prices**
**Indonesian Plywood**

Plywood for Europe is now at INDO'96 plus 10-11% which translates to around US\$484 per Cu.m for 18-22mm panels. Prices for film laminates have not risen and are currently around US\$510-520 per Cu.m. The Indonesian industry is reporting a tight plywood supply situation brought on by log availability and an improvement of local/regional demand as business gets back after the holidays.

European plywood prices have been rising as the importers try to protect themselves against rising replacement costs. Despite the recent price increases Asian plywood and N.American plywood is still very competitive and substitution will have little impact in the short term.

**Report from Indonesia**
**Sawn timber**
**Domestic construction material**
**Kampar**

AD 6x12-15x400cm	US\$335-345
KD	US\$470-480
AD 3x20x400cm	US\$400-410
KD	US\$520-530

**Keruing**

AD 6x12-15cmx400	US\$250-270
AD 2x20cmx400	US\$292-300
AD 3x30cmx400	US\$330-340

**Plywood (export, FOB)**

	per Cu.m
MR,	
Grade BB/CC	
2.7mm	US\$490-495
3mm	US\$445-450
6mm and above	US\$370-380
WBP,	
Grade BB/CC	
12-18mm	US\$430-450

**Malaysian Domestic Sawnwood Prices**

Sawnwood	per Cu.m
Balau(25&50mm,100mm+)	US\$405-420 ↓
Kempas 50mm by (75,100&125mm)	US\$230-240 ↓

**Ghana**

Sliced Veneer FOB	per Sq.m
Asanfona Face	US\$1.20
Interior	US\$1.00
Backing	US\$0.65



**Redwoods (Mahogany, Candollei, Edinam)**

	per Sq.m
Face	US\$1.15
Interior	US\$0.90
Backing	US\$0.55

**Ready Spliced Veneer (layons)  
Thickness 6mm FOB**

	per Cu.m
Sapele	US\$1370
Anegre	US\$1062
Mahogany	US\$1149
Koto	US\$1153

**Plywood 1220 x 2440 mm**
**Grade BB/CC, FOB**
**Ceiba for the UK market Per Cu.m**

	WBP	MR
4mm	Stg347	Stg278
6mm	Stg296	Stg249
9mm	Stg284	Stg248
12mm	Stg275	Stg238
18mm	Stg270	Stg230
25mm	Stg282	

**Plywood 1220 x 2440mm**
**Grade c/c WBP FOB**
**Ceiba for the German market  
per Cu.m**

4mm	DM735
6mm	DM623
9mm	DM613
12mm	DM600
15mm	DM587
18mm	DM573

**Rotary Cut Veneer FOB**

	per Cu.m
Face Veneer	1-1.6mm
Ceiba	US\$320
Koto	US\$500
Otie/Iloba	US\$440
Ofram	US\$440

No price changes have been indicated. Some mills are reporting that they are preparing to re-enter the export market and two companies plan to increase capacity.

**Brazilian Plywood and Veneer**

Veneer	FOB	per Cu.m
White Virola Face		
2.5mm		US\$270-320 ↑
Pine Veneer (C/D)		US\$220 ↑
Mahogany Veneer		per Sq.m
0.7mm		US\$2.70 ↑

Brazilian plywood has been favored with a slightly lower import tax in the European Community. Brazilian products will attract 1.5% less than Malaysian and Indonesia panels however, in practice, this will have little effect as Brazilian plywood continues to be very uncompetitive. In an essentially weak market this change will have little impact.

**Plywood FOB per Cu.m**

White Virola (US Market)	
5.2mm OV2 (MR)	US\$345 ↑
15mm BB/CC (MR)	US\$340 ↓
For Caribbean countries	
White Virola 4mm	US\$470
9mm	US\$370 ↓
Pine USA market	
9mm C/CC (WBP)	US\$270
15mm C/CC (WBP)	US\$250
Cedro (puerto Rico Market)	
4mm	US\$810

**Brazilian International Congress and Fair**

The 3rd Plywood and Tropical Timber International Congress and the 2nd Machinery and Timber Products Fair has been announced by ABIMCI and AIMEX.

The Congress and the Fair will be held in Belem, from 4 - 9 November of this year. Around 1000 participants and 5000 visitors from over 30 countries are expected to be in Belem.

**Malaysian Plywood**

The feasibility of establishing a plywood futures market is, once again, being explored. Currently a review is being undertaken by United Nations Conference on Trade and Development (UNCTAD) under sponsorship of the Malaysian industry and the Kuala Lumpur Commodity Exchange. A representative of UNCTAD was recently in Malaysia and Indonesia, as well as Japan and China, in order to prepare a preliminary report.



**MR Grade BB/CC FOB**

	Per Cu.m	
2.7mm	US\$495-510	↑
3mm	US\$450-460	↓
9-12mm	US\$370-380	
18mm plus	US\$345-350	
WBP Grade BB/CC		
9-18mm	US\$410-430	
Phenolic Overlayed		
12-18mm	US\$495-510	↓
Domestic plywood		
9-18mm	US\$475-500	

**Gabon**
**Okume Plywood  
(250x122cm)**

	F.CFA Per pc
	Untaxed Taxed
4mm	3,430 - 3,780
5mm	5,314 - 6,270
8mm	8,886 - 9,540
10mm	9,010 - 11,047
12mm	10,762 - 12,699
15mm	13,019 - 15,362
19mm	15,790 - 18,632

**Furniture Parts and Components**
**Taiwan Province of China, Imports**
**Taiwan Province of China**

Plywood	per Cu.m
2.7mm x 4' x 8'	US\$620-635
9.0mm x 4' x 8'	US\$495-510
12-18mm 4' x 8'	US\$460-490

**Domestic Plywood Prices**
**Brazil**
**Rotary Cut Veneer  
(ex-mill Northern Mill)**

	per Cu.m
White Virola Face	US\$165
White Virola Core	US\$120 ↑

**Plywood  
(ex-mill Southern Mill)**

Grade MR	Per Cu.m
4mm White Virola	US\$670
15mm White Virola	US\$495
4mm Mahogany 1 face	US\$1,410

**Indonesia**
**Domestic MR plywood  
(Jarkarta)**

	per Cu.m
9mm	US\$455-460
12mm	US\$415-430
15mm	US\$405-420
18mm	US\$375-400

**Imports C&F**

	per pc
Rubberwood Chair seats	US\$3.00-3.10
Rubberwood unfinished	
Queen Anne Chairs (excluding soft seat)	US\$12.5-14.00ea ↓
Queen Anne Legs	
2 1/4 ins square x 18 ins	US\$1.00-1.10ea
2 3/4 ins square x 28 ins	US\$2.10-2.25ea ↑

**Other Panel Product Prices**
**Brazil**

Demand for reconstituted panels is continuing at high levels and imports are needed to cover present domestic demand.

**Export Prices**

Blockboard 18mm	per Cu.m
White Virola Faced	
B/C	US\$305

**Domestic Prices**

Ex-mill Southern Region	per Cu.m
Blockboard	
15mm White Virola Faced	US\$510
15mm Mahogany Faced	US\$860
Particleboard	
15mm	US\$320



## Indonesia

Other Panels	Per Cu.m
Export Particleboard FOB	
9-18mm	US\$140-145
Domestic Particleboard	
9mm	US\$245 ↓
12mm	US\$230 ↓
15mm	US\$210 ↓
18mm	US\$200
MDF Export (FOB)	
12-18mm	US\$205-215
MDF Domestic 15-18mm	US\$300-310

## Taiwan Province of China, Imports

MDF	per Cu.m
Domestic Prices	
3mm thick	US\$410-425 ↑
4.75mm	US\$390-400
18mm x 4' x 8'	US\$270-290

Particleboard	per Cu.m
12-18mm (4x8)	US\$200-205

## Malaysia

Particleboard (FOB)	per Cu.m
6mm & above	US\$150-155
Domestic	
6mm & above	US\$180-185

MDF (FOB)	per Cu.m
Less than 5mm	US\$235-245
Greater than 6mm	US\$210-220
Domestic Sales	
6-21mm	per Cu.m US\$240-245

## Prices of Added Value Products

## Indonesia

Mouldings	per Cu.m
Ramin skirting	US\$885-895 ↑
(for the Italian market)	
Crown using Pulai or Jelutong	
(for Japanese market)	US\$800-810
Laminated Scantlings	US\$640-660 ↓
Laminated Boards	
Falkata wood	US\$390-410
Laminated Boards	
Pine	US\$850-880
Red Meranti Mouldings	
11x68/92mm x 7ft up	
Grade A	US\$820-835
Grade B	US\$620-635

## Malaysia

Mouldings (FOB)	per Cu.m
Selatan Batu Decking	US\$570-580 ↓
Kembang Semangkok	
S4S to Japan	US\$1100-1200 ↑
Laminated Scantlings	
72mmx86mm	US\$685-690 ↑

## Rubberwood

Shaped chair seats	
(18-22mm 16"-18" squares)	
US\$2.95-3.20 per pc	
Finger jointed	per Cu.m
laminated boards	US\$815-820 ↓
top grade	US\$870-880 ↓

Doors (FOB)	
Meranti (red) panel doors	
Grade A	US\$51-53 per pc ↓
Grade B	US\$46-47 per pc ↓
Grade C	US\$42-45 per pc



## Furniture

**Dining suite****Solid rubberwood laminated top 3' x 5'****with extension leaf** US\$58-60ea ↓**Same with****Oak veneered MDF** US\$72-75ea ↓**Windsor Chair** US\$11.50-13.00ea**Colonial Chair** US\$14.50-15.50ea ↑**Napolean Chair** US\$23-26ea ↓**Queen Anne Chair (with soft seat)****without arm** US\$22-25ea ↓**with arm** US\$26-30ea ↑**Brazil**

ABIMOVEL the Brazilian Association of the Furniture Industry is projecting a minimum 20% increase in furniture and furniture component exports for this year. Total exports for 1997 are expected to reach around US\$600 million. For the year 2000 ABIMOVEL is projecting around US\$1000 million exports in added value products. In recent years exports of Brazilian furniture to Argentina have increased and are now running at around US\$35-40 million or about 35% of Argentina's imports.

<b>Edge Glued Pine Panel</b>	<b>per Cu.m</b>
<b>for Korea 2nd Grade</b>	<b>US\$510</b>
<b>1st Grade</b>	<b>US\$770</b>
<b>US Market</b>	<b>US\$550</b>

**Taiwan Province of China**

<b>Rubberwood Chair Seats</b>	<b>US\$3.00-3.10</b>	↓
<b>Rubberwood Unfinished</b>		
<b>Queen Anne Chairs</b>	<b>US\$12.5-14.0ea</b>	
<b>Queen Anne Legs</b>		
<b>2.25 ins square 18 ins Long</b>	<b>US\$1.00-1.10ea</b>	↓
<b>2.75 ins Square 28 ins Long</b>	<b>US\$2.10-2.25</b>	

**Furniture****Dining suite (FOB)****Oak Veneered MDF tables and chairs (6 per set)****US\$215-225per set** ↓

## Consumers Report

**Report From Japan**

The Tokyo Branch of the South-Sea Lumber Association recently met to discuss the rejection, by suppliers, of a Japanese claim for a reduction in FOB prices because of the weakened Yen.

Currently log prices are up, Sarawak logs for plywood manufacture Yen 8,100 - 8,800, up Yen 400 per koku, PNG/ Solomon logs for plywood manufacture Yen 7,200 - 7,700 that is up Yen 300 per koku.

Final compiled statistics show that for 1996 plywood imports were at 5,314,000 Cu.m up almost 21% on 1995. Malaysian plywood increased by 55%. At present exports from Malaysia are aid to be down because shippers will not accept the request for lowered prices.

**Delivered Prices****Asian Log, Lumber and Panel Prices****Logs For Plywood Manufacturing****CIF Price Yen per Koku****Meranti (Hill, Sarawak)****Medium Mixed** 8,300 ↑**Meranti (Hill, Sarawak)****STD Mixed** 8,500 ↑**Meranti (Hill, Sarawak)****Small Lot****(SM60%, SSM40%)** 8,000 ↑**Taun, Calophyllum (PNG)****and others** 7,100**Mix Light Hardwood****(PNG G3-G5 grade)** 6,000**Okume (Gabonese)** 8,200**Keruing (Sarawak)****Medium MQ & up** 8,500**Kapur (Sarawak) Medium****MQ & up** 8,400**Logs For Sawmilling****FOB Price Yen per Koku****Melapi (Sarawak)****Select** 11,500**Agathis (Sabah)****Select** 9,800



Lumber	FOB Price Yen per Cu.m
<b>White Seraya (Sabah)</b>	
24x150mm, 4m 1st grade	130,000
<b>Mixed Seraya 24x48mm,</b>	
1.8 - 4m, S2S	54,000
<b>Red Oak 5/4x6 ins and wider</b>	
FAS (US East Coast)	125,000

### Plywood

Plywood	Mill Gate Price Tokyo Area Yen per sheet
<b>Concrete Formboard</b>	
<b>Domestic Production from S.E Asian Logs</b>	
11.5x900x1800mm Type 1	1,280
<b>Thin</b>	
2.3x910x1820mm Type 2	340
<b>Medium</b>	
4.0x910x1820mm Type 2	530
5.5x910x1820mm Type 2	660

### Tokyo Market Price Per Sheet

<b>Plywood</b>	
2.4x91x1820mm	Yen350
3.6x91x1820mm	Yen500
5.2x91x1820mm	Yen640
<b>Plywood for flooring</b>	
11.5x94.5x1840mm	Yen1710
<b>Plywood for Printing</b>	
3.6x123x2440mm	Yen860

### Other News from Japan

ITOCHU Corporation is to build a Particleboard plant in Thailand as a joint venture with, amongst others, Ruang Utai, a major sawmiller. Production start-up is scheduled for mid 1998 and the production capacity is reported to be 7,000 Cu.m per month. The plant will use Rubberwood and the total investment is said to be about Yen 1.2 billion.

## Report From China

*Prices for Imported Tropical Wood Products in Shanghai and Eastern China (Yuan/cubic metre or per sheet)*

	Per Cu.m
<b>Keruing Log</b>	
Length: 6-20m	1880-2400
<b>Mengaris Log</b>	
Length 6m+	1800-1900
<b>Malaysian Lauan Log</b>	
Mixed	2500-2600
<b>Malaysian Lauan with hollow heart</b>	
Mixed	1200-1400

<b>Lauan lumber</b>	
Thickness: 5-6cm	
Length: 3-4m	2850-3450
<b>Lauan tongued, grooved flooring strip</b>	
18mmx50-70mmx3m	110-125
<b>Malas tongued, grooved flooring strip</b>	
18x70mm x2.2-4.1m	110-125
<b>Balian Flooring Top Grade Myanmar</b>	
18x50-70x2400mm	300-350
<b>Plywood from Indonesia</b>	
3mm 1220x2240	41 per sheet

## From Europe, An Update on UK

Some consumer confidence seems now to be translating into more high street furniture sales, the recent improvement in the property market is also adding to an improvement in sentiment. These changes have provided the opportunity for some price improvement.

European analysts are now forecasting a growth in the UK construction industry of 2% during 1997. It is forecast that residential housing starts will improve, while public building projects are likely to continue to decline.

The following data from EUROCONSTRUCT shows that, while a European wide improvement in building activity of about 1% could be expected, there are big differences in building activity projections between countries in Western Europe.



**Building Activity in Western Europe****Percent Change**

	1993	1994	1995	1996	1997
Germany	0.9	7.7	1.2	-3.6	-0.8
Belgium	0.5	1.4	1.3	1.8	2.3
Denmark	-5.3	2.4	7.1	4.5	4.0
Finland	-14.0	-3.0	2.0	3.0	7.0
France	-6.0	-0.2	0.1	-3.0	0.3
UK	-1.8	3.4	-0.6	0.4	1.8
Ireland	-6.4	11.8	13.7	11.6	5.0
Italy	-5.6	-2.8	1.1	2.6	1.3
Netherlands	-2.3	1.3	0.9	2.4	2.7
Norway	-2.8	11.5	11.2	3.4	3.3
Austria	2.9	4.7	-0.7	-1	-0.5
Portugal	0.5	1.0	6.0	4.5	6.0
Sweden	-9.5	-3.4	2.3	2.4	1.1
Switzerland	-2.0	5.2	-4.3	-4.5	-3.2
Spain	-7.5	1.2	5.0	1.0	3.0

1996 estim. 1997 forecast Source EUROCONSTRUCT

**Building Activity in Western Europe by Type****Percent Change**

	1993	1994	1995	1996	1997
Residential Property	0.5	9.4	2.6	-2.5	-0.8
New Commercial Buildings	-10.5	-3.2	1.9	0.6	1.3
New Public Buildings	-1.6	0.1	-1.9	-3.8	-1.6
Public Engineering Work	-3.7	1.2	-0.2	-2.4	1.0
Renovation	-1.1	2.9	1.6	1.5	2.0
Building Activity Total	-3.1	2.8	1.3	-0.8	0.9

1996 estim. 1997 forecast Source EUROCONSTRUCT

**UK Company News**

Phildrew Ventures of the UK has acquired a majority stake in GWS, which specialises in modular shelving and shopfitting systems. Phildrew Ventures, which specialises in management buy-outs, paid £18.5 million for its stake. GWS has a turnover of £24 million a year.

Upmarket contract cabinet furniture manufacturer C&C Designs is to expand. A Sterling 500,000 investment will enable the company to increase the size of its factory in Fakenham to 35,000 sq ft and to raise production staff levels from 50 to about 75. In the past two years C&C has seen rapid expansion with turnover topping Sterling 1.3 million in 1995.

**Prices in UK****Wooden Windows****Upper Price Hardwood 120x135cm****Sterling, 304.00 ↑****Medium Price Hardwood 120x135cm****Sterling 224.50 ↑****Lower Price Softwood 120x135cm****Sterling 108 ↑****Solid Wooden Doors****Upper Price Meranti****76.2x198.1x3.5cm Sterling 248.50 ↑****Medium Price Sapele****76.2x198.1x3.5cm Sterling 146.90 ↑****Lower Price Veneered****76.2x198.1x3.5cm Sterling 40.75 ↑****Kitchen Chair****Upper Price Solid Oak Sterling 323.00****Dining Chair****Upper Price African Mahogany****Sterling 328.00****Medium Price African Mahogany****Sterling 208.00****Dining Table****Upper Price African Mahogany****80x160cm Sterling 1019.00****Medium Price African Mahogany****80x160cm Sterling 884.00****Lower Price African Mahogany****80x160cm Sterling 693.00****Furniture and Components****Wardrobe Door****Lower Price 50x180cm****Sterling 53.70 ↑****Kitchen Cabinet Door 71.5x49.5cm****Medium Price Oak****Sterling 19.90 ↑****Drawer Front****Upper Price****Melamine Faced Particleboard****100x10cm Sterling 0.74/pc**



**Medium Price**  
**Melamine Faced Particleboard**  
 100x10cm Sterling 0.59/pc  
**Lower Price**  
**Melamine Faced Particleboard**  
 100x10cm Sterling 0.53/pc

## Other News from Europe

Axcel Industri Investor, the Danish investment company, has recently acquired P Vestergaards Moebelfabrik, a manufacturer of chipboard based furniture with a turnover of Dkr 150 million. P Vestergaards will become a subsidiary of Tvilum Gruppen, the largest D-I-Y furniture producer in Europe (with a turnover of Dkr 650 million), which had been acquired by Axcel last year. With its recent acquisitions the investment company is forming the largest furniture group in Denmark.

The French group Valois Habitat expects to achieve sales of Ffr 850-900 million in 1997 with its five subsidiaries and is investing Ffr 160 million to modernize their production facilities. The investment plans include a Ffr 15 million investment for Eguisier, the group's subsidiary which produces infants furniture (with a turnover of Ffr55 million).

In 1996 Alno (Pfullendorf), German kitchen manufacturer, reported a DM3.8 million loss in the parent company. The group made a profit of DM7.1 million and turnover increased by 4% to DM909 million.

UPM-Kymmene, major Finnish forest company, is to sell of its 44% stake in Lenraumamebel, Russian furniture factory located in St. Petersburg. The stake should be sold to Russian partners in the turn of few months. UPM-Kymmene is not planning to invest in Russia at this stage.

In 1995 furniture sales in Spain were led by living and dining rooms (20.4%), followed by kitchens (15.2%), bedrooms (15%) and upholstered furniture (10.2%). In the same year Spanish furniture exports totaled Pta 124,854 million, while imports were worth Pta 58,180 million.

A specialized store for Italian upholstered furniture by Natuzzi has been opened in St. Petersburg by Okania. Natuzzi products are in demand in Russia, due to a wide range of products and prices.

## US Industry Report

### US prices

**Rough Sawn Hardwood Lumber**  
**Appalachian Red Oak**  
 kiln dried, FAS  
 US\$1,537 per MBF

**Dressed Hardwood Lumber**  
**North American Species**  
**Appalachian Oak**  
 planed 2 sides US\$1,560 per MBF

**Hardwood Dimension Stock**  
**Appalachian Red Oak Strips**  
 random length, clear 1 face and 2 edges  
 6" to 16'10" 4'-5' US\$1,490 per MBF

**Lumber, Genuine Mahogany**  
**Bolivia, Brazil, Honduras**  
**Select or Better 1 ins Stock**  
**Dock side US West Coast**  
 Kiln Dry US\$2620 per MBF  
 Air Dry/Green US\$2475 per MBF

**Lumber, Philippine Mahogany / Meranti**  
**Kiln Dried, kiln dried**  
**Dock side US West Coast**  
 LR Meranti US\$2035 per MBF  
 DR Meranti US\$2220 per MBF

## Plywood and Veneer

**Hardwood Plywood**  
**Red Oak plywood, 5-ply, lumber core**  
**cross bands of poplar or gum**  
**Both exterior layers of Red Oak**  
**Furniture grade, rotary cut 4' x 8' 0.75" thick**  
 US\$50.20 per Sheet

**Veneer Red Oak, 1/45", flat stock,**  
**Container loads/truck-loads**  
 US cents 9.0 - 14.0 per sq.ft.



## Reconstituted Boards

### Particleboard

Industrial grade board, 4' x 8' x 3/4"

South Central Region

US\$275 per 1000 sq.ft

### Medium Density Fibreboard

Industrial grade board, 4' x 8' x 3/4"

US\$375 per 1000 sq.ft

## Millwork

### Wood Window Units

Wood sliding window Double glassed,

Upper/lower sash can be tilted

32" x 54"

US\$81.50ea

### Wood Doors

Interior door solid wood Raised colonial panels without frame and hinges.

2'8" x 6'8" x 1.75"

US\$59.50ea

### Wood Mouldings

White Pine moulding, 3.625" wide,

1" stock, finger jointed length approx. 16'

US\$0.32 per linear foot

### Wood Frames for Upholstered Chairs

Frame for lounge chair, 1" stock

nailed corner blocks

US\$44.50ea

## Wooden Furniture

### Dining Room Table

18th century, French oval dining room table extendible, with casters

Mahogany veneer on particleboard 64" x 44"

two 15" leaves, extends to 94", Ht.

30" Apron to floor 26.5"

US\$607.00

### Dining Room Chair

18th century French Mallard chair Solid Maple 21" x 22", Ht. 44.5" Seat 21" x 17.75, Ht. 18"

US\$188.00

### Bookcase for the Living Room

18th century traditional styled bookcase

Sheraton accents.

Base 2 doors one adjustable shelf behind doors

Top cabinet deck 3 adjustable wood shelves.

Maple solids and select cherry veneer

Hand-rubbed cherry finish.

50.25" x 16.5", Ht. 88.5"

US\$795.00

### Headboard for Bed

18th century French Fairhope headboard

Mahogany veneer on particleboard.

Width 43", Ht. 60.6"

US\$269.00

### Dresser used in the Bedroom

18th century French Elm Bluff 9 drawers.

Mahogany veneer on particleboard.

64" x 19", Ht. 36"

US\$475.00

### Desks for use in the Office

Conference desk 5 drawers

Mahogany veneer on particleboard.

72" x 36", Ht. 29"

US\$895.00



## Trends in the US Furniture Market

(Part 2)

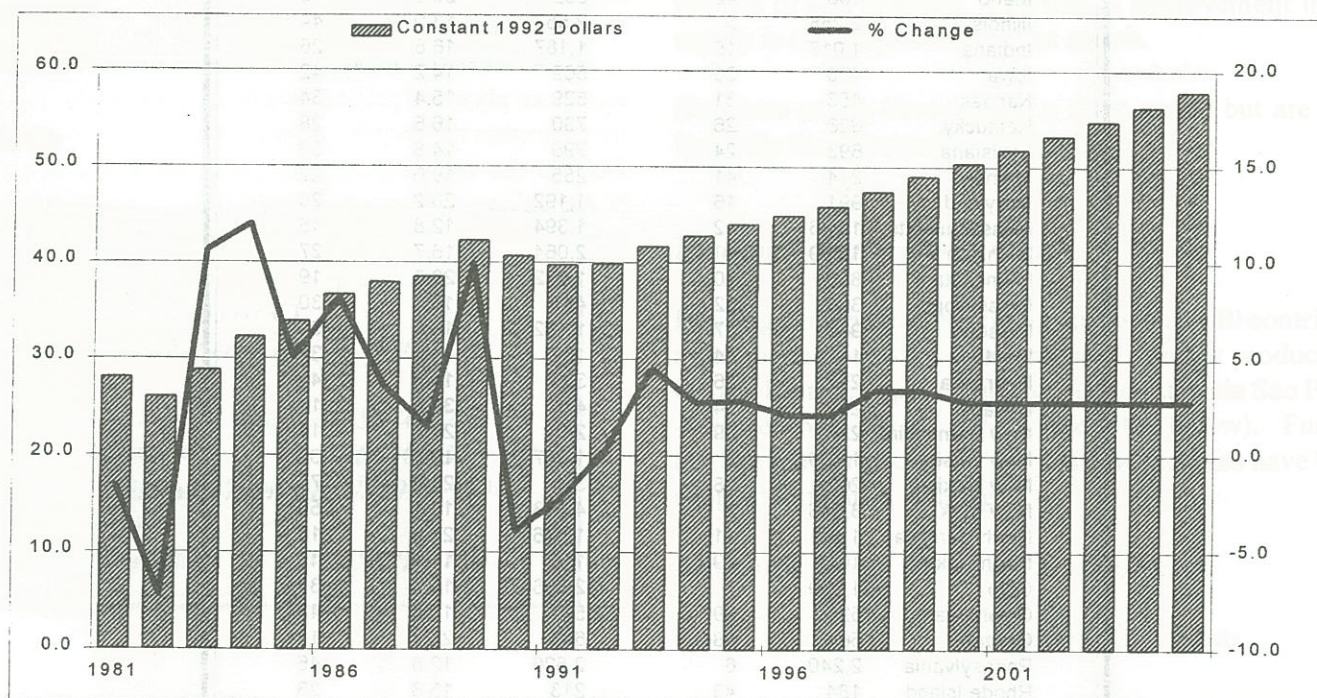
### Growth Rates in the US Furniture Market

As a result of a combination of factors, including a faster population growth among those over 40 years of age and almost no growth among those under 40, plus stabilised rates of marriage and divorce across the age spectrum, it is expected that the number of households in the United States will grow by 9.5 % over the next decade. This represents a pace slightly faster than the forecast 8.9 % population growth. Analysts expect real disposable income per household to increase by a projected 14 - 14.5 % (or at a pace of about 1.3 % per year). Thus total real disposable income will grow by around 25.0 % between 1995 and 2005.

On the basis of the above assumptions, it is anticipated that real household furniture spending will grow by just over 19 % over the same period, or at a pace that will reduce it from accounting for just under 0.796 % of after tax real household income as of 1995 to one approaching 0.759 % in 2005. Over that period, then, it is forecast that sales will grow from an estimated US\$47.7 billion in 1995 to a projected US\$56.8 billion in 2005 (in constant 1992 dollars).

The figure below shows the likely path for furniture expenditures, in real terms, over the period 1995 - 2005, against the backdrop of trends over the last decade and a half.

**United States Consumer Spending on Household Furniture 1981-1996 with Forecast to 2005**  
(billion US\$ Left Scale, Percent Change Year on Year Right Scale)



Following a real gain in expenditure of 2.3 % in 1996 it is anticipated that gains of 2.1 % in 1997 and of 3.4 % in each of 1998 and 1999 will be seen. Through the remainder of the forecast period it is projected that real growth in expenditure on furniture of about 2.8 % per year, reflecting the underlying, longer-term, pace set by household growth and growth in real incomes per household.



## Market Forecast by State

The table below shows how the US household furniture market is likely to develop on a state by state basis over the next decade. This table reveals that the highest growth rates in household furniture spending will occur in Nevada (up a projected 38 %), Utah (35 %), Arizona (34 %), and Florida (32 %), all reflecting stronger than average household growth and household income growth; these states are all expected to attract the US migratory population. The lowest growth rates in household furniture spending are projected for the District of Columbia (1 %), New York (10 %), North Dakota (11 %), and West Virginia (11 %). These low rates reflect the effects of federal cutbacks and/or net outward migration.

Consumer Spending on Household Furniture by State, 1995 and for 2005  
(millions of constant 1992 dollars)

	1995 US\$ Millions	Rank	2005 US\$ Millions	Percent Change	Rank
Alabama	692	25	816	18.0	23
Alaska	111	48	145	30.6	5
Arizona	716	22	962	34.3	3
Arkansas	389	33	464	19.4	21
California	5,739	1	6,995	21.9	14
Colorado	706	23	895	26.7	6
Connecticut	719	21	808	12.4	47
Delaware	136	45	160	17.7	24
Dist. Columbia	132	46	133	1.1	51
Florida	2,639	4	3,473	31.6	4
Georgia	1,249	10	1,540	23.3	12
Hawaii	217	40	253	16.6	29
Idaho	188	42	232	23.3	13
Illinois	2,258	5	2,552	13.0	44
Indiana	1,017	15	1,187	16.8	26
Iowa	498	30	569	14.2	42
Kansas	458	31	529	15.4	34
Kentucky	626	26	730	16.6	28
Louisiana	693	24	796	14.8	38
Maine	214	41	255	19.0	22
Maryland	991	16	1,192	20.2	20
Massachusetts	1,236	12	1,394	12.8	45
Michigan	1,769	8	2,064	16.7	27
Minnesota	850	20	1,022	20.3	19
Mississippi	399	32	465	16.6	30
Missouri	948	17	1,102	16.3	31
Montana	141	44	162	14.8	37
Nebraska	292	36	333	14.3	41
Nevada	299	34	412	37.8	1
New Hampshire	223	39	277	24.4	11
New Jersey	1,669	9	1,937	16.1	32
New Mexico	262	38	330	26.0	7
New York	3,646	2	4,013	10.1	50
North Carolina	1,241	11	1,546	24.6	10
North Dakota	104	49	116	11.1	49
Ohio	1,999	7	2,306	15.3	35
Oklahoma	526	29	597	13.4	43
Oregon	564	28	683	21.1	18
Pennsylvania	2,240	6	2,526	12.8	46
Rhode Island	184	43	213	15.8	33
South Carolina	590	27	736	24.6	9
South Dakota	120	47	138	14.3	40
Tennessee	902	19	1,096	21.5	16
Texas	3,155	3	3,953	25.3	8
Utah	290	37	390	34.6	2
Vermont	102	50	117	15.2	36
Virginia	1,231	13	1,493	21.3	17
Washington	1,023	14	1,246	21.9	15
West Virginia	293	35	327	11.4	48
Wisconsin	909	18	1,064	17.0	25
Wyoming	84	51	96	14.7	39



## World Value of the US Dollar 7 March 1997

Cameroon	C.F.A.Franc	578.03	Australia	Dollar	1.2667
Central African Republic	C.F.A.Franc	578.03	Canada	Dollar	1.3648
Congo, People's Rep.	C.F.A.Franc	578.03	China	Yuan	8.2957
Cote d'Ivoire	C.F.A.Franc	578.03	Egypt	Pound	3.3938
Gabon	C.F.A.Franc	578.03	Austria	Schilling	12.0595
Ghana	Cedi	1867.5	Belgium	Franc	35.35
Liberia	Dollar	1	Denmark	Krone	6.5335
Togo, Rep.	C.F.A.Franc	578.03	Finland	Markka	5.111
Zaire, Rep.	New Zaire	143000	Germany	Mark	1.7315
Cambodia	Riel	2300	Greece	Drachma	269.19
Fiji	Dollar	1.4071	Ireland	Punt	1.554
India	Rupee	35.867	Italy	Lira	1698.65
Indonesia	Rupiah	2393.75	Netherlands	Guilder	1.9297
Malaysia	Ringgit	2.4827	Portugal	Escudo	171.97
Myanmar	Kyat	6.2797	Spain	Peseta	145.09
Papua New Guinea	Kina	1.3803	Sweden	Krona	7.6477
Philippines	Peso	26.3245	United Kingdom	Pound	1.6063
Thailand	Baht	25.925	Japan	Yen	121.25
Bolivia	Boliviano	5.22	Nepal	Rupee	56.95
Brazil	Real	1.0526	New Zealand	NZ Dollar	1.4183
Colombia	Peso	1059	Norway	Krone	6.921
Ecuador	Sucre	3715	Korea, Rep. of	Won	869.65
Guyana	Dollar	140.3	Switzerland	Franc	1.4776
Honduras, Rep.	Lempira	12.76	Russian Fed.	Ruble	5683
Panama	Balboa	1			
Peru	New Sol	2.623			
Trinidad and Tobago	Dollar	6.1952			
Venezuela	Bolivar	477.38			

## Abbreviations

LM	Loyale Merchant, a grade of log parcel	Cu.m	Cubic Metre
FOB	Free-on-Board	SQ	Sawmill Quality
SSQ	Select Sawmill Quality	KD	Kiln Dry
AD	Air Dry	FAS	Sawnwood Grade First and Second
Boule	A Log Sawn Through and Through the boards from one log are bundled together	WBP	Water and Boil Proof
BB/CC	Grade B faced and Grade C backed Plywood	MR	Moisture Resistant
MBF	1000 Board Feet	pc	per piece
Sq.Ft	Square Foot	ea	each
FFR	French Franc	BF	Board Foot
Koku	0.278 Cu.m or 120BF	MDF	Medium Density Fibreboard
		F.CFA	CFA Franc
		↓ ↑	Price has moved up or down



This Market Service can be accessed on the ITTO Internet Home Page at:

**<http://www.itto.or.jp>**

It is also freely available by E-mail.

To be included on our E-Mail mailing list please send your E-Mail address to:

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